

NET OPERATING LOSS (NOL) DEDUCTION

For the CALENDAR year **2005** or other taxable period beginning _____ and ending _____
 Mo Day Year Mo Day Year

SEQUENCE # 7

NAME

FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL
SECURITY NUMBER OR DEPARTMENT IDENTIFICATION NUMBER**WHEN
TO USE
THIS FORM**

Use this form to detail the NOL carryforward amounts which comprise the current tax period NOL deduction taken on Form NH-1040, NH-1041, NH-1065 or NH-1120. This form must be attached to the New Hampshire tax return in the taxable period the NOL deduction is claimed.

COLUMN (A)

Ending date of
taxable period in
which NOL
occurred.

COLUMN (B)

New Hampshire net
operating loss available
for carryforward from
Net Operating Loss
Worksheets.

COLUMN (C)

Amount of NOL
carryforward which
has been used in
taxable periods prior to
this taxable period.

COLUMN (D)

Amount of NOL to be
used as a deduction
in this taxable period.

COLUMN (E)

Amount of NOL to
carryforward to future
taxable period.

Mo	Day	Yr							
1			1			1			1
2			2			2			2
3			3			3			3
4			4			4			4
5			5			5			5
6			6			6			6
7			7			7			7
8			8			8			8
9			9			9			9
10			10			10			10

11 Amount of NOL carryforward deducted this taxable period.

(Sum of Column D, Lines 1-10) 11

This is the amount to be reported on the applicable Business Profits Tax return. This amount cannot exceed the New Hampshire Adjusted Gross Business Profits before the NOL deduction.

NOTE: Column (B) less Column (C) should equal the sum of Column (D) plus Column (E).

Column (A)	Enter the month, day, and year of each taxable period from which the NOL is being carried forward.												
Column (B)	<p>Enter the amount of the NOL which is available for carryforward purposes.</p> <p>For tax periods ending before July 1, 2005, the carryforward amount is computed by first carrying the loss back three years and then offsetting the loss by any profits during those 3 tax periods. (However, the carryback cannot result in an amended return or a refund in those carryback years). If a loss remains after carryback and offset, then the remaining loss must be apportioned using the apportionment percentage of the loss period. The apportioned loss cannot exceed the following limits based on the tax period the loss was incurred:</p> <p>From July 1, 2003 to June 30, 2004, \$500,000 is the maximum amount that may be carried forward. From July 1, 2004 to June 30, 2005, \$750,000 is the maximum amount that may be carried forward. Prior to July 1, 2003, the maximum amount that may be carried forward is \$250,000.</p> <p>For tax periods ending on or after July 1, 2005, no carryback is required or allowed. In addition, the maximum amount that may be carried forward was increased to \$1,000,000.</p> <p>A net operating loss may be carried forward for the following number of years:</p> <table border="0"> <tr> <td>Tax Year Ending On or Before</td> <td>Carryforward</td> <td>Losses Incurred</td> </tr> <tr> <td>6/30/02</td> <td>5 year</td> <td>1/1/89 - 6/30/97</td> </tr> <tr> <td>Tax Year ending On or After</td> <td>Carryforward</td> <td>Losses Incurred</td> </tr> <tr> <td>7/1/02</td> <td>10 year</td> <td>On or After 7/1/97</td> </tr> </table>	Tax Year Ending On or Before	Carryforward	Losses Incurred	6/30/02	5 year	1/1/89 - 6/30/97	Tax Year ending On or After	Carryforward	Losses Incurred	7/1/02	10 year	On or After 7/1/97
Tax Year Ending On or Before	Carryforward	Losses Incurred											
6/30/02	5 year	1/1/89 - 6/30/97											
Tax Year ending On or After	Carryforward	Losses Incurred											
7/1/02	10 year	On or After 7/1/97											
Column (C)	Enter the NOL amount that was claimed as a deduction in the prior taxable period(s).												
Column (D)	Enter only those amounts that will be claimed as a deduction this taxable period.												
Column (E)	Enter the excess amount(s) available for future deduction.												

Administrative Rule Rev 303 of the New Hampshire Business Profits Tax includes guidance on how to compute the NOL. The RSA's and administrative rules regarding NOL provisions (RSA 77-A:4,XIII and Rev 303.03) may be obtained from our web site at www.revenue.nh.gov or by visiting any New Hampshire Depository Library or the New Hampshire State Library, 20 Park Street, Concord, NH 03301, where copies may be made for a fee. Forms may be ordered for free by calling our forms line at (603) 271-2192. If you do not have access to the internet, or if you have specific questions concerning NOL provisions, please contact Customer Service, telephone (603) 271-2191. Individuals who need auxiliary aids for effective communications in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.